BEFORE

## THE PUBLIC SERVICE COMMISSION OF

#### SOUTH CAROLINA

JUNE 14, 1995

IN RE: Application of Inmate Telephone, Inc. ) ORDER for a Certificate of Public ) APPROVING Convenience and Necessity to Provide Inmate Telephone Service. )

This matter comes before the Public Service Commission of South Carolina (the Commission) on the March 24, 1995, Application of Inmate Telephone, Inc. (ITI or the Company) for a Certificate of Public Convenience and Necessity. The Applicant proposes to operate as a provider of local, intraLATA, and interLATA services to inmate facilities in South Carolina. ITI's Application was filed pursuant to S.C. Code Ann. §58-9-280 (1976, as amended) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed ITI to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of ITI's Application and of the manner and time in which to file the appropriate pleadings for participation in these proceedings. ITI complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were received.

Jill Pepple, Vide President of Marketing of ITI, submitted sworn testimony on behalf of ITI. Ms. Pepple stated that ITI is

interested in providing 0+ automated collect—only local, intraLATA, and interLATA service from confinement facilities within the state of South Carolina. ITI does not propose to provide telecommunications service to the general public, and therefore, does not intend to provide telecommunications services to business or residential customers. Ms. Pepple explained that to minimize the ability of inmates to make fraudulent or harassing telephone calls, collect calls will be provided on a fully automated basis without intervention of a live operator. In addition, all collect calls will require that the called party affirmatively accept the call. According to Pepple, ITI has extensive technical and managerial experience with which to provide the services described in its Application. Ms. Pepple states that, ITI is well qualified, financially, to provide its proposed services and that the proposed service is in the public interest.

After full consideration of the applicable law, the Application, and the testimony submitted by ITI, the Commission hereby issues its findings of fact and conclusions of law:

## FINDINGS OF FACT

- 1. ITI is incorporated under the laws of the state of Pennsylvania and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
- 2. ITI operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina by providing collect call capability to inmates of correctional facilities located in South Carolina.

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3. ITI has the experience, capability, and financial resources to provide the services as described in its Application.

### CONCLUSIONS OF LAW

- 1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to ITI to provide collect call capability to inmates of correctional facilities located in South Carolina.
- 2. The Commission adopts a rate design for ITI for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).
- 3. ITI shall not adjust its rates below the approved maximum level without notice to the Commission and the public. ITI shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of ITI's subscribers shall constitute a general ratemaking proceeding and

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will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. \$58-9-540 (1976, as amended), as amended.

- 4. ITI shall file its tariff and in accompanying price list within thirty (30) days of the date of this Order. Further, the tariff shall be filed in a loose-leaf binder.
- 5. ITI shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.
- 6. With regard to the provision of inmate calling service for local and intraLATA calling, ITI shall not charge rates any greater than the rates charges by the local exchange company at the time a call is placed. For interLATA calling, ITI shall charge rates not greater than AT&T's charges and operator station usage rates at the time the call is placed. Additionally, automated collect calls shall only be completed with the affirmative acceptance by the called party. Also, the company shall not impose any subscriber surcharges on calls originated from inmate facilities.
- 7. For inmate calling service, call detail information submitted to the local exchange company for billing purposes must include the COCOT access line telephone number as assigned to the line by the local exchange company. Further, should ITI provide the pay telephone equipment in confinement facilities, the Company shall obtain certifications to provide private pay telephone services and should request waiver of specific guidelines as

required for the provision of inmate calling services.

8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Rulay Mittell

ATTEST:

Executive Director

(SEAL)

# ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME	
	FEI NO.
ADDF	RESS
CITY	, STATE, ZIP CODE PHONE NUMBER
(1)	SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING
(2)	SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING
(3)	RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING
*	THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.
(4)	PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
*	THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
(5)	PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING
(6)	ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).
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